

REPORT TO THE CITY COUNCIL

BY THE CITY INTERNAL AUDITOR

AUDIT OF THE FIRE DEPARTMENT

ADMINISTRATION DIVISION

INTERNAL AUDIT REPORT (IAR) 070198-12

DECEMBER 29, 1998



December 29, 1998

Councilman John David Stewart, Chairman
Shreveport City Council

Dear Councilman Stewart:

Subject: IAR 070198-12 - Audit of the Fire Department, Administration Division

Attached please find the report mentioned above. Management comments are included in the report.

Sincerely,

Radford K. Snelding, CFE, CGFM, CIA
City Internal Auditor

DS:jm

EXECUTIVE SUMMARY AUDIT OF THE FIRE DEPARTMENT, ADMINISTRATION DIVISION INTERNAL AUDIT REPORT (IAR) 070198-12

The purpose of the executive summary is to convey in capsule form the significant issues of the audit report. The executive summary is a vehicle for reviewing the report and should only be used in conjunction with the entire report.

INTRODUCTION

The Fire Administration Division provides general management for the Fire Department, department-wide research, planning, and budget administration. This division is also responsible for developing policies and procedures, assuring efficiency of operations, responding to citizen inquiries, providing a safety program for the department, and maintaining personnel files and records of all emergency incidents.

OVERVIEW OF SIGNIFICANT ISSUES

Based on the results of our audit, we believe that an adequate system of control is in existence over the areas examined with the exception of the findings specifically noted. We believe the Fire Administration Division is efficient and economical. We also believe that management could enhance the control environment by addressing the following:

- ? Establish and maintain a written policies and procedures manual.
- ? Provide a database system to help track employee training and safety records.
- ? Create a policy for groups touring the department's facilities.

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AUDIT OF THE FIRE DEPARTMENT, ADMINISTRATION DIVISION INTERNAL AUDIT REPORT (IAR) 070198-12

OBJECTIVES

We have completed an audit of the Fire Department's Administration Division. The objective of this audit was to determine the economy and efficiency of operations of the division.

SCOPE AND METHODOLOGY

Our audit was performed in accordance with applicable generally accepted governmental auditing standards. The scope of the study of internal control was limited to the general controls surrounding the specific issues addressed. General audit procedures included, but were not limited to, the following:

- ? Reviewing applicable records and documents.
- ? Interviewing appropriate operating personnel and management.
- ? Observing operations.

BACKGROUND

The Fire Administration Division provides general management for the Fire Department, department-wide research, planning, and budget administration. This division is also responsible for developing policies and procedures, assuring efficiency of operations, responding to citizen inquiries, providing a safety program for the department, and maintaining personnel files and records of all emergency incidents.

CONCLUSIONS/FINDINGS/RECOMMENDATIONS

Based on the results of our audit, we believe that an adequate system of control is in existence over the areas examined with the exception of the findings specifically noted. We believe the Fire Administration Division is efficient and economical. We also believe that management could enhance the control environment by addressing the following:

- ? Establish and maintain a written policies and procedures manual.
- ? Provide a database system to help track employee training and safety records.
- ? Create a policy for groups touring the department's facilities.

1. Policies and Procedures Manual

Criteria: A good system of internal control includes, but is not limited to, a written policies and procedures manual that reflects current operational needs of a department.

Condition: The Fire Department does not have a policies and procedures manual related to cash handling, accounts receivable and accounts payable.

Effect:

- ? Potential inefficient and ineffective operations.
- ? Potential violation of existing laws and regulations.

Cause: Management utilizes verbal communication to explain office policies and procedures.

Recommendation: We recommend that management develop and maintain a written policies and procedures manual that will clearly delineate authority and responsibility of individual employees; thus, providing the essential foundation needed for establishing employee accountability. The manual would serve as a reference tool for transactions and situations.

Management Plan of Action: Development of a policies and procedure manual is seventy-five percent complete. Fire Administration will follow the same procedures as the previous EMS audit.

Timetable: Anticipated completion date is 1/31/99.

2. Staffing Levels

Criteria: The 1998 authorized and budgeted positions for the Fire Administration Division indicated a budgeted position for an associate word processor.

Condition: From our comparison of authorized personnel as indicated in the 1998 annual operating budget with actual on-hand personnel, we noted the position of associate word

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processor has been vacant since May of 1998. The position is budgeted for 1999.

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Effect:

- ? Possible overstaffing.
- ? Possible inefficient use of personnel resource.

Cause: Position has not been filled.

Recommendation: We recommend management evaluate current workload assignments and determine the most efficient use of personnel resources. A study should be undertaken to determine if activity levels warrant either deleting the vacant position from the budget or reallocating the personnel resources to another division within the department.

Management Plan of Action: The Fire Department's new CAD (Computer Aided Dispatch) system is scheduled to go on line by second quarter of 1999. It will have the capability for fire line personnel to enter reports via computers at each station. Report entry has been the major responsibility of the associate word processor position. Management does not feel it is appropriate to fill the position until the system is operational and management is able to assess the workload for this position. Also, Mayor Hightower has instituted a hiring freeze.

Timetable: Second quarter of 1999.

3. Daily Deposits

Criteria: A good system of cash handling includes practices to help ensure the collection of funds, employee accountability, and compliance with procedures.

Condition: During a review of cash handling procedures, we noted that daily deposits are not performed.

Effect: Non-compliance with Administrative Procedure #3-7, Section 5 (b) (1) and Louisiana Revised Statute 39:1212, which requires daily deposits of all funds for public bodies.

Cause: Management indicates that staff shortages make daily deposits impractical.

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Recommendation: We recommend that daily deposits be performed in accordance with city procedures and state law.

Management Plan of Action: It is the Fire Department's suggestion that the City employ a courier service to pick up off-site revenues, or allow our department to make direct bank deposits. Daily deposits present a problem due to staff shortages and short hours of service at the revenue window. All revenue that is not immediately deposited is secured. We will make daily deposits.

Timetable: December 22, 1998.

4. Workload Indicators/Efficiency and Effectiveness Measures

Criteria: Performance measures help management gauge the effectiveness by which a division is accomplishing its plans and goals.

Condition: A goal of the Administration Division is to provide safety training for all fire department employees. However, there was no performance measurements related to achievements for safety.

Effect:

- ? Goals and objectives may not be achieved.
- ? Resources may be used ineffectively and inefficiently.

Cause: Measurements regarding the Fire Department's safety program are not reported in the budget book.

Recommendation: We recommend the management develop relevant workload, efficiency, and effectiveness measures consistent with the department's safety program goals. These performance measures could include items such as: number of incidents attended; number of violations investigated; and changes in the number of workers compensation claims.

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Management Plan of Action: Shreveport Fire Department will report performance measures related to its achievements for safety programs in the budget book.

Timetable: 2000 budget book, prepared 2nd-3rd quarter of 1999.

5. Electronic Data Processing

Criteria: In order to provide reasonable assurance that employees receive appropriate training, a system of tracking must exist. This system should, at a minimum, be able to provide information regarding classes taken by an employee and classes provided.

In order to sustain office activities in the event of a computer failure, information kept on the computer should be backed up on a daily basis.

Condition:

- ? The Fire Department has over 500 employees at 21 fire stations whose duty hours and location change frequently. Each of these employees must have certain training as regulated by national and state standards. Training records are grouped by fire station. Information on training for a particular employee is not readily available.
- ? Some correspondence files are kept on the computer's hard drive and are not backed up daily.

Effect:

- ? Information retrieval is time consuming and completeness of training is difficult to determine.
- ? Possible delay in office functions due to data loss.

Cause:

- ? Fire Administration does not have a computer or program designated to keep training records.
- ? Some of the computer data is kept on the computer's hard drive.

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Recommendation: We recommend that:

- ? Management study manual tasks being performed by employees in the division and determine if any of those manual tasks can be performed more efficiently, if automated. Management should initially consider automation of a data base to maintain training records.
- ? Information kept on the computer's hard drive should be backed up daily. This could be accomplished by placing the information onto the City's LAN (Local Area Network) which is automatically backed up daily.

Management Plan of Action: The Shreveport Fire Department CAD system has the capability for maintaining individual training records. Following its implementation by the second quarter of 1999, training records will be recorded in its data base.

Arrangements have been made to utilize the City's automatic backup. Status is complete.

Timetable: Training records - 2nd quarter 1999. Backup - complete.

6. Policy on Groups Touring Fire Department's Facilities

Criteria: A good system of control includes written policies and procedures that serves as a reference tools for employees on the proper handling of transactions and situations.

Condition: There are no written instructions to guide Fire Department personnel on the proper handling of guided tours of Fire Department facilities.

Effect: Written instructions could help avoid inadvertent and preventable actions and help reduce the City's liability for injuries of visitors while touring the fire department's facilities.

Cause: There is no written policy to address issues regarding visiting groups.

Recommendation: We recommend that management consider developing a policy to be included in the department's operating and administrative procedures manual that at a minimum, instructs personnel on allowable activities of visiting groups to Fire Department facilities.

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Management Plan of Action: An appropriate guideline for visitors and department personnel has been developed. It will be reviewed by our attorney for appropriateness and be adopted within the first quarter of 1999, after following SFD policy adoption procedures.

Timetable: First quarter 1999.

Prepared by:

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Staff Auditor

Approved by:

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City Internal Auditor

BP:jm

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CAO
City Council
Clerk of Council
City Attorney
External Auditor